

CITY OF HORSESHOE BAY

CITY COUNCIL PUBLIC MEETING TO CONDUCT BOND WORKSHOP

November 13, 2007

The Council of the City of Horseshoe Bay held a Public Meeting to conduct a Bond Workshop at City Hall, located at #1 Community Drive, Horseshoe Bay, Llano County, Texas, November 13, 2007, in accordance with duly posted notice of said meeting. Mayor Lambert called the meeting to order at 1:00 p.m. with a quorum of Council Members present as follows:

Robert W. Lambert, Mayor
James E. Babcock, Mayor Pro Tem
John Bird, Alderman
Richard Rantzow, Alderman
Jeff Robinson, Alderman

The posted agenda for this meeting is made a part of these minutes by attachment and the minutes are herewith recorded in the order the agenda items were considered with the agenda subject and item number shown preceding the applicable paragraph.

1. Call the Public Meeting to Order and Establish a Quorum: Mayor Lambert called the Public Meeting to order at 1:00 p.m. with a quorum present. He welcomed Alderman-elect Claudia Haydon to the meeting as a member of the public and reported that she will officially be sworn in as an Alderman at a public ceremony at 2:30 p.m.
2. Convene Bond Workshop – Use of Bonds to Fund Utility Projects and Possible Refunding of Outstanding Bonds: Mayor Lambert convened the bond workshop and introduced Jennifer Douglas, Assistant Vice President of First Southwest Company, the City's Financial Advisor. Ms. Douglas handed out a presentation and discussed the options related to issuance of general obligation refunding bonds for the purpose of refinancing the current revenue note debt balance of \$7.5 million. After some discussion, the Council agreed First Southwest should continue to evaluate refunding \$7.5 million over a 20-year term with repayment from the Utility Fund. The consensus was that the General Fund will continue to subsidize the Utility Fund with the \$1.5 million transfer for this year and to obtain another rate analysis to help the Council plan future rates. It was also discussed that future utility fund projects in excess of \$1 million will be financed with debt.

3. Adjournment: There being no further discussion, Alderman Rantzow made a motion to adjourn the meeting. Alderman Bird seconded the motion and the meeting was adjourned at 1:55 p.m.

APPROVED this 11th day of December, 2007.

/S/
Robert W. Lambert, Mayor

ATTEST:

/S/
Toni Vanderburg, City Secretary